

Washington, DC -- To protect local families from predatory lenders, U.S. Rep. Michael Arcuri (NY-24) joined a bipartisan majority in the U.S. House of Representatives yesterday in voting for legislation to implement long overdue reforms into the mortgage lending industry and protect area consumers.

“This legislation is the critical first step towards protecting local consumers from the predatory practices adopted by many mortgage lenders,” **Arcuri said.** “The mortgage industry has gone unregulated for far too long, causing the collapse in the housing market we now see jeopardizing our entire economy.”

The Mortgage Reform and Anti-Predatory Lending Act (H.R. 1728), which passed the House, would restore integrity and reform the mortgage industry by ensuring that borrowers can repay the loans they are sold, and implementing strict guidelines to make sure that those loans are fair and reasonable to the consumer. The legislation cuts financial incentives for subprime loans, which encourage brokers to steer customers into more costly, bad loans so the broker can receive a bonus from the brokerage.

H.R. 1728 also adds increased transparency to mortgage lending by requiring lenders to disclose important information and possible fees to the consumer before he or she signs an agreement. In the past, lenders have hidden additional costs and rate increases and added charges would appear unexpectedly. This legislation ensures that all charges and increases are made clear at the beginning of the mortgage agreement.

The Mortgage Reform and Anti-Predatory Lending Act joins several other pieces of anti-fraud and consumer protection legislation that Arcuri has supported over the past week. The Fraud Enforcement and Recovery Act passed the House on Wednesday, May 6, 2009 and was preceded by the Credit Cardholder’s Bill of Rights, which passed on May 1, 2009. Both pieces of legislation provide increased oversight and added consumer protection to hard-working Americans.

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